

THE COMMONWEALTH OF MASSACHUSETTS
Public Employee Retirement Administration Commission
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M E M O R A N D U M

TO: All Retirement Boards

FROM: Joseph I. Martin, Deputy Executive Director

RE: PERAC Tobacco Company List

DATE: October 6, 1998

On October 22, 1997 PERAC MEMO #37/1997 informed you of the adoption of Chapter 119 of the Acts of 1997. That statute prohibits retirement systems from making any new investments in stocks, securities, or other obligations of any company which derives more than 15% of its revenue from the sale of tobacco products. On December 18, 1997 PERAC sent Memo #48 regarding the implementation of Chapter 119 and the first PERAC Tobacco Company List.

Enclosed please find a list of additions and deletions to the PERAC Tobacco Company List dated January 13, 1998. These revisions are effective upon receipt by the retirement boards. After that, no new investments may be made in stocks, securities, or other obligations of these companies. Please forward it to your investment advisors or inform them that this list is available on the PERAC Home Page. PERAC will update this list on a quarterly basis and send each board a list of additions and deletions. On an annual basis, PERAC will send a revised list to each board.

As part of its audit process, PERAC will assess the portfolio of each board to determine compliance. That review will determine if the board, after January 13, 1998, has purchased stock, securities, or other obligations of any company which derives more than 15% of its revenue from the sale of tobacco products. In the event a portfolio is not in compliance, the board must bring the portfolio into compliance by divesting in a prudent manner. Prior to taking any action, the board shall consult with PERAC.

In applying the statute to pooled funds, PERAC will assess the 15% rule against the entire pool as the board is purchasing shares in the pool not the individual holdings of the pool. Thus a pooled fund, if in violation of this standard, will be included on the PERAC List.

If you have any questions, please call Robert Shaw, Director of the Pension Investment Advisory Unit at 617-666-4446 ext. 922.

PERAC TOBACCO COMPANY LIST
ADDITIONS/DELETIONS
OCTOBER 1, 1998

Pursuant to Chapter 119 of the Acts of 1997, the following is a list of companies that have been added to and/or deleted from the PERAC Tobacco Company List dated January 13, 1998. These revisions are effective upon receipt by the retirement boards. After that, no new investments may be made in stocks, securities, or other obligations of these companies. PERAC will update this list on a quarterly basis and on an annual basis, PERAC will make available a revised Tobacco Company List. In accordance with the policy adopted by the Public Employee Retirement Administration Commission, so called pooled funds (e.g. mutual funds, commingled funds, group trusts, real estate funds, limited partnerships, and venture capital investments) will be included on this list if 15% or more of the revenue generated by companies in the fund is derived from the sale of tobacco products.

ADDITIONS

COMPANY

COUNTRY

AMCON Distributing Company	United States
DCGR International Holdings	United States
Grand Havana Enterprises, Inc.	United States
Havana Group, Inc.	United States
Loews Corporation	United States
M&F Worldwide Corporation	United States
Niche Resources, Inc.	United States
Noble Brands, Inc.	United States
North Atlantic Trading Company	United States
Reliant Interactive Media Corporation	United States
Signature Brands, Inc.	United States
SJI Group, Inc.	United States
Windsor Capital Corp.	United States
Alpha Tobacco Manufacturing Co. Ltd.	Bangladesh
Bangladesh Tobacco Co. Ltd.	Bangladesh
Rothmans, Inc.	Canada
Ultimate Cigar Co.	Canada
Wuxi Taiji Limited Corporation	China
Tvornica Duhana Rovinj	Croatia
Tabak AS	Czech Republic
Gebrueder Bernard AG	Germany

ADDITIONS (cont'd)**COMPANY****COUNTRY**

Pioneer Tobacco	Ghana
Tabacalera Hondurena	Honduras
Shanghai Industrial Holdings	Hong Kong
Raghunath Tobacco	India
Dubek Ltd.	Israel
Jerusalem Cigarette Company Ltd.	Israel
International Tobacco & Cigarette Company Ltd.	Jordan
Jordan Tobacco & Cigarette Co. Ltd.	Jordan
Union Tobacco	Jordan
Grupo Carso SA	Mexico
Khyber Tobacco Company Ltd.	Pakistan
Sarhad Cigarette Industries Ltd.	Pakistan
Souvenir Tobacco Company Ltd.	Pakistan
Tobacco International Limited	Pakistan
Cotapo Empreendimentos Comerciais e Industriais	Portugal
B.A.T. Singapore Ltd.	Singapore
British American Tobacco Holdings (South Africa) Ltd.	South Africa
Ceylon Tobacco Co. Ltd.	Sri Lanka
C.A. Tabacalera Nacional (CATANA)	Venezuela
T.S.L. Limited	Zimbabwe

DELETIONS**COMPANY****COUNTRY**

Dominican Cigar Corporation	United States
Mafco Consolidated Group Inc.	United States
Scottsdale Cigar Company	United States
Skandinavisk Tobakskompagni A/S	Denmark
Bollore Technologies	France
Erindania Beghin-Say, SA	France
Empresas la Moderna, SA de CV	Mexico
Utico Holdings Ltd.	South Africa